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9
10 **BEFORE THE**
REGISTRAR OF CONTRACTORS
CONTRACTORS STATE LICENSE BOARD
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. N2019-228

14 **AMERICAN RENOVATION CENTER,**
15 **INC.**
HAIM BLOKH, CEO/PRESIDENT
16 **JUDAS JAY HALE, RMO**
9245 Jellico Ave.
17 Northridge, CA 91325

ACCUSATION

18 Contractor's License Number 1033393, B

19 and

20 **HALE GENERAL CONSTRUCTION**
21 **JUDAS JAY HALE, SOLE OWNER**
21781 Ventura Ave. #47A
22 Woodland Hills, CA 91364

23 Contractor's License Number 962217, B

24 and
25
26
27
28

HAIM BLOKH

14601 Arminta Street
Panorama City, CA 91402

Home Improvement Registration Number
78094SP

Respondents.

PARTIES

1. Wood Robinson (Complainant) brings this Accusation solely in his official capacity as the Enforcement Supervisor I of the Contractors State License Board (Board), Department of Consumer Affairs.

2. On or about November 29, 2017, the Registrar of Contractors (Registrar) issued Contractor's License Number 1033393, in Classification B (General Building Contractor) to American Renovation Center, Inc. (Respondent American Renovation). The Contractor's License was in full force and effect at all times relevant to the charges brought herein, however it expired on November 30, 2019, and has not been renewed. On or about November 29, 2017, Haim Blokh (Respondent Blokh) associated as CEO/President of Respondent American Renovation. On or about November 29, 2017, Respondent Judas Jay Hale (Respondent Hale) associated as responsible managing officer (RMO) of Respondent American Renovation, however he dissociated from that position on April 1, 2019.

3. On or about June 15, 2011, the Registrar issued Contractor's License Number 962217, in Classification B (General Building Contractor) to Hale General Construction (Respondent Hale Construction), with Respondent Hale as sole owner. The Contractor's License was in full force and effect at all times relevant to the charges brought herein, however it was suspended on January 31, 2020, because of its association with another suspended license. The Contractor's License will expire on June 30, 2021, unless renewed.

4. On or about June 5, 2007, the Registrar issued Home Improvement Registration Number 78094SP to Respondent Blokh. The Home Improvement Registration was in full force

1 and effect at all times relevant to the charges brought herein, however it expired on December 31,
2 2019, and has not been renewed.

3 **JURISDICTION**

4 5. This Accusation is brought before the Registrar for the Board, under the authority of
5 the following laws. All section references are to the Code unless otherwise indicated.

6 6. Section 118, subdivision (b) of the Code states:

7 The suspension, expiration, or forfeiture by operation of law of a license issued
8 by a board in the department, or its suspension, forfeiture, or cancellation by order of
9 the board, shall not, during any period in which it may be renewed, restored, reissued,
10 or reinstated, deprive the board of its authority to institute or continue a disciplinary
11 proceeding against the licensee upon any ground provided by law or to enter an order
suspending or revoking the license or otherwise taking disciplinary action against the
licensee on any such ground.

12 7. Section 7076.5, subdivision (h) of the Code states:

13 The inactive status of a license shall not bar any disciplinary action by the
14 board against a licensee for any of the causes stated in this chapter.

15 8. Section 7090 of the Code provides, in pertinent part, that the Registrar may suspend
16 or revoke any license or registration if the licensee or registrant is guilty of or commits any one or
17 more of the acts or omissions constituting cause for disciplinary action.

18 9. Section 7106.5 of the Code states:

19 The expiration, cancellation, forfeiture, revocation, or suspension of a license
20 by operation of law or by order or decision of the registrar or a court of law, or the
21 voluntary surrender of a license by a licensee, shall not deprive the registrar of
jurisdiction to proceed with any investigation of or action or disciplinary proceeding
against the license, or to render a decision suspending or revoking the license.

22 10. Section 7121 of the Code states:

23 A person who has been denied a license for a reason other than failure to
24 document sufficient satisfactory experience for a supplemental classification for an
existing license, or who has had his or her license revoked, or whose license is under
25 suspension, or who has failed to renew his or her license while it was under
suspension, or who has been a partner, officer, director, manager, or associate of any
26 partnership, corporation, limited liability company, firm, or association whose
application for a license has been denied for a reason other than failure to document
27 sufficient satisfactory experience for a supplemental classification for an existing
license, or whose license has been revoked, or whose license is under suspension, or
28 who has failed to renew a license while it was under suspension, and while acting as a
partner, officer, director, manager, or associate had knowledge of or participated in

any of the prohibited acts for which the license was denied, suspended, or revoked, shall be prohibited from serving as an officer, director, associate, partner, manager, qualifying individual, or member of the personnel of record of a licensee, and the employment, election, or association of this type of person by a licensee in any capacity other than as a nonsupervising bona fide employee shall constitute grounds for disciplinary action.

11. Section 7121.5 of the Code states:

A person who was the qualifying individual on a revoked license, or of a license under suspension, or of a license that was not renewed while it was under suspension, shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual of a licensee, whether or not the individual had knowledge of or participated in the prohibited acts or omissions for which the license was revoked, or suspended, and the employment, election, or association of that person by a licensee shall constitute grounds for disciplinary action.

STATUTORY PROVISIONS

12. Section 7068 of the Code states, in pertinent part:

(a) The board shall require an applicant to show the degree of knowledge and experience in the classification applied for, and the general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business that the board deems necessary for the safety and protection of the public.

(b) An applicant shall qualify in regard to his or her experience and knowledge in one of the following ways:

(1) If an individual, he or she shall qualify by personal appearance or by the appearance of his or her responsible managing employee who is qualified for the same license classification as the classification being applied for.

(2) If a partnership or a limited partnership, it shall qualify by the appearance of a general partner or by the appearance of a responsible managing employee who is qualified for the same license classification as the classification being applied for.

(3) If a corporation, or any other combination or organization, it shall qualify by the appearance of a responsible managing officer or responsible managing employee who is qualified for the same license classification as the classification being applied for.

(4) If a limited liability company, it shall qualify by the appearance of a responsible managing officer, a responsible managing manager, responsible managing member, or a responsible managing employee who is qualified for the same license classification as the classification being applied for.

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13. Section 7068.1, subdivision (a), of the Code states, in pertinent part:

The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision and control of his or her employer's or principal's construction operations to secure compliance with this chapter and the rules and regulations of the board. . .

14. Section 7083 of the Code states:

(a) Notwithstanding any other law, licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

(b) Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

(c) Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

15. Section 7096 of the Code states:

For the purposes of this chapter, the term "licensee" shall include an individual, partnership, corporation, limited liability company, joint venture, or any combination or organization licensed under this chapter, and shall also include any named responsible managing officer, responsible managing manager, responsible managing member, or personnel of that licensee whose appearance has qualified the licensee under the provisions of Section 7068.

16. Section 7107 of the Code states:

Abandonment without legal excuse of any construction project or operation engaged in or undertaken by the licensee as a contractor constitutes a cause for disciplinary action.

17. Code section 7110 states:

Willful or deliberate disregard and violation of the building laws of the state, or of any political subdivision thereof, or of Section 8550 or 8556 of this code, or of Sections 1689.5 to 1689.15, inclusive, of the Civil Code, or of the safety laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state, or of the Subletting and Subcontracting Fair Practices Act (Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code), or violation by any licensee of any provision of the Health and Safety Code or Water Code, relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code , constitutes a cause for disciplinary action.

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1 18. Section 7113 of the Code states:

2 Failure in a material respect on the part of a licensee to complete any construction project or
3 operation for the price stated in the contract for such construction project or operation or in any
4 modification of such contract constitutes a cause for disciplinary action.

5 19. Section 7122.5 of the Code states:

6 The performance by an individual, partnership, corporation, limited liability
7 company, firm, or association of an act or omission constituting a cause for
8 disciplinary action, likewise constitutes a cause for disciplinary action against a
9 licensee who at the time that the act or omission occurred was the qualifying
individual of that individual, partnership, corporation, limited liability company, firm,
or association, whether or not he or she had knowledge of or participated in the
prohibited act or omission.

10 20. Section 7159 of the Code states, in pertinent part:

11 (a)(1) This section identifies the projects for which a home improvement contract is
12 required, outlines the contract requirements, and lists the items that shall be included in the
13 contract, or may be provided as an attachment.

14 (2) This section does not apply to service and repair contracts that are subject to
15 Section 7159.10 , if the contract for the applicable services complies with Sections
7159.10 to 7159.14 , inclusive.

16 (3) This section does not apply to the sale, installation, and servicing of a fire alarm
17 sold in conjunction with an alarm system, as defined in Section 7590.1 , if all costs
18 attributable to making the fire alarm system operable, including sale and installation
costs, do not exceed five hundred dollars (\$500), and the licensee complies with the
requirements set forth in Section 7159.9 .

19 (4) This section does not apply to any costs associated with monitoring a burglar or
20 fire alarm system.

21 (5) Failure by the licensee, his or her agent or salesperson, or by a person subject to
22 be licensed under this chapter, to provide the specified information, notices, and
23 disclosures in the contract, or to otherwise fail to comply with any provision of this
section, is cause for discipline.

24 (b) For purposes of this section, "home improvement contract" means an agreement,
25 whether oral or written, or contained in one or more documents, between a contractor and
26 an owner or between a contractor and a tenant, regardless of the number of residence or
dwelling units contained in the building in which the tenant resides, if the work is to be
performed in, to, or upon the residence or dwelling unit of the tenant, for the performance
27 of a home improvement, as defined in Section 7151 , and includes all labor, services, and
28 materials to be furnished and performed thereunder, if the aggregate contract price specified
in one or more improvement contracts, including all labor, services, and materials to be

1 furnished by the contractor, exceeds five hundred dollars (\$500). "Home improvement
2 contract" also means an agreement, whether oral or written, or contained in one or more
3 documents, between a salesperson, whether or not he or she is a home improvement
4 salesperson, and an owner or a tenant, regardless of the number of residence or dwelling
5 units contained in the building in which the tenant resides, which provides for the sale,
6 installation, or furnishing of home improvement goods or services.

7 ...

8 (d) A home improvement contract and any changes to the contract shall be in writing and
9 signed by the parties to the contract prior to the commencement of work covered by the
10 contract or an applicable change order and, except as provided in paragraph (8) of
11 subdivision (a) of Section 7159.5 , shall include or comply with all of the following:

12 (1) The name, business address, and license number of the contractor.

13 (2) If applicable, the name and registration number of the home improvement
14 salesperson that solicited or negotiated the contract.

15 ...

16 (e) Except as provided in paragraph (8) of subdivision (a) of Section 7159.5 , all of the
17 following notices shall be provided to the owner as part of the contract form as specified or,
18 if otherwise authorized under this subdivision, may be provided as an attachment to the
19 contract:

20 ...

21 (5) The following notice shall be provided in at least 12-point typeface:

22 "Information about the Contractors' State License Board (CSLB): CSLB is the
23 state consumer protection agency that licenses and regulates construction contractors.

24 Contact CSLB for information about the licensed contractor you are
25 considering, including information about disclosable complaints, disciplinary actions, and
26 civil judgments that are reported to CSLB.

27 Use only licensed contractors. If you file a complaint against a licensed
28 contractor within the legal deadline (usually four years), CSLB has authority to investigate
the complaint. If you use an unlicensed contractor, CSLB may not be able to help you
resolve your complaint. Your only remedy may be in civil court, and you may be liable
for damages arising out of any injuries to the unlicensed contractor or the unlicensed
contractor's employees.

For more information:

Visit CSLB's Internet Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.”

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21. Section 7154, subdivision (d) of the Code states:

A home improvement contractor who employs a person to sell home improvement contracts while that person is not registered by the registrar as a home improvement salesperson as provided in this article, is subject to disciplinary action by the registrar.

22. Section 7159.5 of the Code states, in pertinent part:

This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, that is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

(a) Failure by the licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to comply with the following provisions is cause for discipline:

...

(3) If a downpayment will be charged, the downpayment may not exceed one thousand dollars (\$1,000) or 10 percent of the contract amount, whichever is less.

...

(5) Except for a downpayment, the contractor may neither request nor accept payment that exceeds the value of the work performed or material delivered.

....

23. Section 7161, subdivision (c), of the Code states, in pertinent part:

It is a misdemeanor for any person to engage in any of the following acts, the commission of which shall be cause for disciplinary action against any licensee or applicant:

...

(c) Any fraud in the execution of, or in the material alteration of, any contract, trust deed, mortgage, promissory note, or other document incident to a home improvement transaction or other transaction involving a work of improvement.

COST RECOVERY, RESTITUTION AND OTHER AUTHORITY

24. Section 125.3 states, in pertinent part:

(a) Except as otherwise provided by law, in any order issued in resolution of a
Osteopathic Medical Board, upon request of the entity bringing the proceeding,
the administrative law judge may direct a licentiate found to have committed a
violation or violations of the licensing act to pay a sum not to exceed the reasonable
costs of the investigation and enforcement of the case.

(b) In the case of a disciplined licentiate that is a corporation or a partnership,
the order may be made against the licensed corporate entity or licensed partnership.

....

25. Government Code section 11519 states:

(a) The decision shall become effective 30 days after it is delivered or mailed
to respondent unless: a reconsideration is ordered within that time, or the agency itself
orders that the decision shall become effective sooner, or a stay of execution is
granted.

(b) A stay of execution may be included in the decision or if not included
therein may be granted by the agency at any time before the decision becomes
effective. The stay of execution provided herein may be accompanied by an express
condition that respondent comply with specified terms of probation provided;
provided, however, that the terms of probation shall be just as reasonable in light of
the findings and decision.

(c) If respondent was required to register with any public officer, a
notification of any suspension or revocation shall be sent to the officer after the
decision has become effective.

(d) As used in subdivision (b), specified terms of probation may include an
order of restitution. Where restitution is ordered and paid pursuant to the provisions
of this subdivision, the amount paid shall be credited to any subsequent judgment in a
civil action.

(e) The person to which the agency action is directed may not be required to
comply with a decision unless the person has been served with the decision in the
manner provided in Section 11505 or has actual knowledge of the decision.

(f) A nonparty may not be required to comply with a decision unless the
agency has made the decision available for public inspection and copying or the
nonparty has actual knowledge of the decision.

(g) This section does not preclude an agency from taking immediate action to
protect the public interest in accordance with Article 13 (commencing with Section
11460.10) of Chapter 4.5.

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1 26. Section 143.5, subdivision (b), of the Code states:

2 Any board, bureau, or program within the Department of Consumer Affairs
3 that takes disciplinary action against a licensee or licensees based on a complaint or
4 report that has also been the subject of a civil action and that has been settled for
5 monetary damages providing for full and final satisfaction of the parties may not
 require its licensee or licensees to pay any additional sums to the benefit of any
 plaintiff in the civil action.

6 27. Section 7095 of the Code states:

7 The decision may:

8 (a) Provide for the immediate complete suspension by the licensee of all
9 operations as a contractor during the period fixed by the decision.

10 (b) Permit the licensee to complete any or all contracts shown by competent
 evidence taken at the hearing to be then uncompleted.

11 (c) Impose upon the licensee compliance with such specific conditions as may
12 be just in connection with his operations as a contractor disclosed at the hearing and
13 may further provide that until such conditions are complied with no application for
 restoration of the suspended or revoked licensee shall be accepted by the registrar.

14 28. Section 7097 of the Code states:

15 Notwithstanding the provisions of Sections 7121 and 7122, when any licensee
16 has been suspended by a decision of the registrar pursuant to an accusation or
17 pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or 7090.1, any
18 additional license issued under this chapter [the Contractors' State License Law] in
 the name of the licensee or for which the licensee furnished qualifying experience and
 appearance under the provisions of Section 7068, may be suspended by the registrar
 without further notice.

19 29. Section 7098 of the Code states:

20 Notwithstanding the provisions of Sections 7121 and 7122, when any license
21 has been revoked under the provisions of this chapter [the Contractors' State License
22 Law], any additional license issued under this chapter in the name of the licensee or
 for which the licensee furnished qualifying experience and appearance under the
 provisions of Section 7068, may be revoked by the registrar without further notice.

23 30. Section 7102 of the Code states:

24 After suspension of a license upon any of the grounds set forth in this chapter
25 [the Contractors' State License Law], the registrar may reinstate the license upon
26 proof of compliance by the contractor with all provisions of the decision as to
 reinstatement or, in the absence of a decision or any provisions of reinstatement, in
 the sound discretion of the registrar.

27 After revocation of a license upon any of the grounds set forth in this chapter,
28 the license shall not be reinstated or reissued and a license shall not be issued to any
 member of the personnel of the revoked licensee found to have had knowledge of or

1 participated in the acts or omissions constituting grounds for revocation, within a
2 minimum period of one year and a maximum period of five years after the final
3 decision of revocation and then only on proper showing that all loss caused by the act
4 or omission for which the license was revoked has been fully satisfied and that all
5 conditions imposed by the decision of revocation have been complied with.

6 The board shall promulgate regulations covering the criteria to be considered
7 when extending the minimum one-year period. The criteria shall give due
8 consideration to the appropriateness of the extension of time with respect to the
9 following factors:

- 10 (a) The gravity of the violation.
- 11 (b) The history of previous violations.
- 12 (c) Criminal convictions.

13 When any loss has been reduced to a monetary obligation or debt, however, the
14 satisfaction of the monetary obligation or debt as a prerequisite for the issuance,
15 reissuance, or reinstatement of a license shall not be required to the extent the
16 monetary obligation or debt was discharged in a bankruptcy proceeding. However,
17 any nonmonetary condition not discharged in a bankruptcy proceeding shall be
18 complied with prior to the issuance, the reissuance, or reinstatement of the license.

19 **J.F. AND C.F. PROJECT**

20 31. On or about August 27, 2018, J.F. and C.F. entered into a written home improvement
21 contract with S.A., an unregistered Home Improvement Salesperson, on behalf of Respondent
22 American Renovation to install a PV solar system at J.F. and C.F.'s home in Manteca, California.
23 The total contract price was \$54,000.00. J.F. and C.F. paid \$7,686.00 to Respondent American
24 Renovation as a down-payment. The project was to be completed by December 31, 2018.
25 Respondent American Renovation never performed any work on the project and did not return the
26 \$7,686.00 down-payment.

27 32. After J.F. and C.F. filed a complaint with the Board, an investigation was conducted.
28 As part of the investigation, on or about October 16, 2019, a Board Investigator spoke with
Respondent Hale who stated that he had no knowledge of any of the projects which resulted in
complaints. Respondent Hale stated that Respondent Blokh was responsible for running
Respondent American Renovation along with Blokh's staff.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Abandonment)**

3 33. Respondent American Renovation has subjected its license to disciplinary action
4 under Code section 7107, in that Respondent abandoned the J.F. and C.F. Project without legal
5 excuse, and without performing any work on the J.F. and C.F. Project, as set forth in paragraph
6 31, which is incorporated here by this reference.

7 **SECOND CAUSE FOR DISCIPLINE**

8 **(Willful or Fraudulent Act)**

9 34. Respondent American Renovation has subjected its license to disciplinary action
10 under Code section 7116, in that on the J.F. and C.F. Project, it committed willful or fraudulent
11 acts, causing substantial injury to the property owner on the S.M. Project, as set forth in
12 paragraph 31, which is incorporated here by this reference. Respondent American Renovation
13 received \$7,686.00 from J.F. and C.F. to start the J.F. and C.F. Project and failed to perform any
14 work on the project and failed to return the \$7,686.00 to J.F. and C.F.

15 **THIRD CAUSE FOR DISCIPLINE**

16 **(Employed an Unregistered Home Improvement Salesperson)**

17 35. Respondent American Renovation has subjected its license to disciplinary action
18 under Code section 7154, subdivision (d), in that on the J.F. and C.F. Project, Respondent
19 employed an unregistered home improvement salesperson, S.A., to negotiate the contract with
20 J.F. and C.F., as set forth in paragraph 31, which is incorporated here by this reference.

21 **FOURTH CAUSE FOR DISCIPLINE**

22 **(Accepted Excessive Down-payment)**

23 36. Respondent American Renovation has subjected its license to disciplinary action
24 under Code section 7159.5, subdivision (a)(3), in that on the J.F. and C.F. Project, Respondent
25 charged a down-payment that exceeded \$1,000.00 or 10% of the contract amount, whichever is
26 less, as set forth in paragraph 31, which is incorporated here by reference. Respondent American
27 Renovation received \$7,686.00 from J.F. and C.F. as a down-payment, however the total contract
28 amount was \$54,000.00.

1 **FIFTH CAUSE FOR DISCIPLINE**

2 **(Received Payment in Excess of the Value of the Work Performed or Material Delivered)**

3 37. Respondent American Renovation has subjected its license to disciplinary action
4 under Code section 7159.5, subdivision (a)(5), in that on the J.F. and C.F. Project, Respondent
5 accepted payment that exceeded the value of the work performed or material delivered, as set
6 forth in paragraph 31, which is incorporated here by this reference. Respondent American
7 Renovation received \$7,686.00 from J.F. and C.F. and failed to perform any work on the project.

8 **SIXTH CAUSE FOR DISCIPLINE**

9 **(Failure to Exercise Direct Supervision)**

10 38. Respondent American Renovation has subjected its license to disciplinary action
11 under Code section 7068.1, in that on the J.F. and C.F. Project, as set forth in paragraph 31, which
12 is incorporated here by this reference, its RMO, Respondent Hale, failed to exercise direct
13 supervision and control of construction operations to secure compliance with the Contractors
14 State License Law and the rules and regulations of the Board.

15 **J.R. PROJECT**

16 39. On or about November 4, 2018, J.R. entered into a written home improvement
17 contract with Respondent American Renovation to replace the windows in J.R.'s home in
18 Sacramento, California. The project included 12 new energy efficient windows, and stucco
19 repairs and wood trim around the windows. The total contract price was \$15,456.00. On or about
20 November 4, 2018, J.R. paid Respondent American Renovation \$1,000.00 as a down-payment.
21 J.R. subsequently paid Respondent American Renovation an additional \$4,818.00 toward the
22 contract. The contract for Respondent American Renovation was executed and signed by
23 Respondent American Renovation's salesperson, M.G., who is not registered as a home
24 improvement salesperson for Respondent American Renovation.

25 40. After the contract was signed, Respondent American Renovation commenced work,
26 but abandoned the project before completion. Respondent American Renovation failed to
27 complete the stucco repairs or trim work around the windows and caused additional interior
28

1 damage to J.R.'s home. Respondent American Renovation never obtained a permit for the project
2 even though one was required.

3 41. On or about October 7, 2019, an industry expert examined Respondent American
4 Renovation's work on the J.R. Project. The expert found that the work did not meet accepted
5 trade standards and estimated the cost to correct/complete the project as \$9,960.00.

6 42. After J.R. filed a complaint with the Board, a Board investigator spoke with
7 Respondent Hale. On or about November 20, 2019, Respondent Hale stated that he did not really
8 work for Respondent American Renovation, and that Respondent American Renovation had his
9 license and he was just there to review Respondent American Renovation's files.

10 **SEVENTH CAUSE FOR DISCIPLINE**

11 **(Abandonment)**

12 43. Respondent American Renovation has subjected its license to disciplinary action
13 under Code section 7107, in that Respondent abandoned the J.R. Project without legal excuse,
14 and without completing all of the agreed-upon work on the J.R. Project, as set forth in paragraphs
15 39-40, which are incorporated here by this reference.

16 **EIGHTH CAUSE FOR DISCIPLINE**

17 **(Willful Departure From Good and Workmanlike Construction)**

18 44. Respondent American Renovation has subjected its license to disciplinary action
19 under Code section 7109, subdivision (a), in that on the J.R. Project, Respondent willfully
20 departed in a material respect from accepted trade standards for good and workmanlike
21 construction, as set forth in paragraphs 39-41, which are incorporated here by this reference. On
22 or about October 7, 2019, an industry expert examined Respondent American Renovation's work
23 on the J.R. Project, found that the work did not meet accepted trade standards, and estimated the
24 cost to correct/complete the project as \$9,960.00.

25 **NINTH CAUSE FOR DISCIPLINE**

26 **(Failure to Obtain Permit)**

27 45. Respondent American Renovation has subjected its license to disciplinary action
28 under Code section 7110 in that Respondent American Renovation willfully or deliberately

1 violated the California Building Code by failing to obtain a permit on the J.R. Project, as set forth
2 in paragraph 40, which is incorporated here by this reference.

3 **TENTH CAUSE FOR DISCIPLINE**

4 **(Employed an Unregistered Home Improvement Salesperson)**

5 46. Respondent American Renovation has subjected its license to disciplinary action
6 under Code section 7154, subdivision (d), in that on the J.R. Project, Respondent employed an
7 unregistered home improvement salesperson, M.G., to negotiate the contract with J.R., as set
8 forth in paragraph 39, which is incorporated here by this reference.

9 **ELEVENTH CAUSE FOR DISCIPLINE**

10 **(Failure to Exercise Direct Supervision)**

11 47. Respondent American Renovation has subjected its license to disciplinary action
12 under Code section 7068.1, in that on the J.R. Project, as set forth in paragraph 42, which is
13 incorporated here by this reference, its RMO, Respondent Hale, failed to exercise direct
14 supervision and control of construction operations to secure compliance with the Contractors
15 State License Law and the rules and regulations of the Board.

16 **G.S. PROJECT**

17 48. On or about June 21, 2018, G.S. entered into a written home improvement contract
18 with F.M., an unreported Home Improvement Salesperson, on behalf of Respondent American
19 Renovation. The project included installation of a PV solar system at G.S.'s home in Sacramento,
20 California. The total contract price was \$24,125.00. Work began on the project on July 18, 2018,
21 with a final inspection of January 2019. Respondent American Renovation did not complete the
22 interconnection of the PV solar system and no final inspection was performed.

23 49. After J.R. filed a complaint with the Board, an investigation was conducted. As part
24 of the investigation, on or about October 16, 2019, a Board Investigator spoke with Respondent
25 Hale who stated that he had no knowledge of any of the projects which resulted in complaints.
26 Respondent Hale stated that Respondent Blokh was responsible for running Respondent
27 American Renovation along with his staff.

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1 **TWELFTH CAUSE FOR DISCIPLINE**

2 **(Abandonment)**

3 50. Respondent American Renovation has subjected its license to disciplinary action
4 under Code section 7107, in that Respondent abandoned the G.S. Project without legal excuse,
5 and without completing all of the agreed-upon work on the G.S. Project, as set forth in paragraph
6 48, which is incorporated here by this reference.

7 **THIRTEENTH CAUSE FOR DISCIPLINE**

8 **(Employed an Unregistered Home Improvement Salesperson)**

9 51. Respondent American Renovation has subjected its license to disciplinary action
10 under Code section 7154, subdivision (c), in that on the G.S. Project, Respondent American
11 Renovation employed a home improvement salesperson, F.M., to negotiate the contract with G.S.,
12 but failed to report to the registrar, as set forth in paragraph 48, which is incorporated here by this
13 reference.

14 **FOURTEENTH CAUSE FOR DISCIPLINE**

15 **(Failure to Exercise Direct Supervision)**

16 52. Respondent American Renovation has subjected its license to disciplinary action
17 under Code section 7068.1, in that on the G.S. Project, as set forth in paragraph 49, which is
18 incorporated here by this reference, its RMO, Respondent Hale, failed to exercise direct
19 supervision and control of construction operations to secure compliance with the Contractors
20 State License Law and the rules and regulations of the Board.

21 **S.M. PROJECT**

22 53. On or about June 8, 2018, S.M. entered into a written home improvement contract
23 with Frank (last name unknown), an unreported Home Improvement Salesperson, on behalf of
24 Respondent American Renovation. The project included replacement of the roof and five
25 windows at S.M.'s home in Martinez, California. The total contract price was \$37,550.00. On or
26 about October 10, 2018, Respondent American Renovation completed the work. Thereafter, S.M.
27 experienced leaks in the roof and windows. In or about July 2019, S.M. employed other
28

1 contractors to seal the roof penetrations at the house, seal the leaking windows, and repair the
2 water-damaged interior ceiling and walls.

3 54. The contract between S.M. and Respondent American Renovation failed to indicate
4 Frank's name and registration number. The contract also failed to include the language required
5 by Code section 7159, subdivision (e)(5).

6 **FIFTEENTH CAUSE FOR DISCIPLINE**

7 **(Willful Departure From Good and Workmanlike Construction)**

8 55. Respondent American Renovation has subjected its license to disciplinary action
9 under Code section 7109, subdivision (a), in that on the S.M. Project, Respondent American
10 Renovation willfully departed in a material respect from accepted trade standards for good and
11 workmanlike construction, as set forth in paragraph 53, which is incorporated here by this
12 reference. In or around July 2019, S.M. employed other contractors to seal the roof penetrations
13 at the house, seal the leaking windows, and repair the water-damaged interior ceiling and walls.

14 **SIXTEENTH CAUSE FOR DISCIPLINE**

15 **(Employed an Unregistered Home Improvement Salesperson)**

16 56. Respondent American Renovation has subjected its license to disciplinary action
17 under Code section 7154, subdivision (d), in that on the S.M. Project, Respondent employed an
18 unregistered home improvement salesperson, Frank (last name unknown), to negotiate the
19 contract with S.M., as set forth in paragraph 53, which is incorporated here by this reference.

20 **SEVENTEENTH CAUSE FOR DISCIPLINE**

21 **(Failure to Comply With Provisions of the Law Regarding Home Improvement Contracts)**

22 57. Respondent American Renovation has subjected its license to disciplinary action
23 under Code section 7159, subdivisions (d)(2) and (e)(5), in that on the S.M. Project, the contract
24 failed to include the name and registration number of the home improvement salesperson that
25 solicited or negotiated the contract, and failed to include the notice required by subdivision (e)(5),
26 as set forth in paragraph 53, which is incorporated here by this reference.

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1 **Q.M. PROJECT**

2 58. On or about December 12, 2018, Q.M. entered into a written home improvement
3 contract with M.G., an unregistered Home Improvement Salesperson, on behalf of Respondent
4 American Renovation. The project included a complete re-roof of Q.M.'s home in Bay Point,
5 California. The total contract price was \$24,332.00. Respondent American Renovation never
6 commenced any work on the project.

7 59. After M.G. filed a complaint with the Board, an investigation was conducted. As part
8 of the investigation, on or about October 16, 2019, a Board Investigator spoke with Respondent
9 Hale who stated that he had no knowledge of any of the projects which resulted in complaints.
10 Respondent Hale stated that Respondent Blokh was responsible for running Respondent
11 American Renovation along with Blokh's staff.

12 **EIGHTEENTH CAUSE FOR DISCIPLINE**

13 **(Abandonment)**

14 60. Respondent American Renovation has subjected its license to disciplinary action
15 under Code section 7107, in that Respondent abandoned the Q.M. Project without legal excuse,
16 and without performing any work on the Q.M. Project, as set forth in paragraph 58, which is
17 incorporated here by this reference.

18 **NINETEENTH CAUSE FOR DISCIPLINE**

19 **(Employed an Unregistered Home Improvement Salesperson)**

20 61. Respondent American Renovation has subjected its license to disciplinary action
21 under Code section 7154, subdivision (d), in that on the Q.M. Project, Respondent employed an
22 unregistered home improvement salesperson, M.G., to negotiate the contract with Q.M., as set
23 forth in paragraph 58, which is incorporated here by this reference.

24 **TWENTIETH CAUSE FOR DISCIPLINE**

25 **(Failure to Exercise Direct Supervision – Respondent Hale)**

26 62. Respondent American Renovation has subjected its license to disciplinary action
27 under Code section 7068.1, in that on the Q.M. Project, as set forth in paragraph 59, which is
28 incorporated here by this reference, its RMO, Respondent Hale, failed to exercise direct

1 supervision and control of construction operations to secure compliance with the Contractors
2 State License Law and the rules and regulations of the Board.

3 **CAUSES FOR OTHER ACTION**

4 **FIRST CAUSE FOR OTHER ACTION**

5 **(Restrictions on Corporate Qualifier – Respondent Blokh)**

6 63. Pursuant to section 7121.5 of the Code, if license number 1033393, issued to
7 Respondent American Renovation is revoked or suspended, Respondent Blokh shall be prohibited
8 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
9 licensee during the time the discipline is imposed, whether or not he had knowledge of or
10 participated in the acts or omissions constituting grounds for discipline as alleged in the causes
11 for discipline, above, and any licensee which employs, elects, or associates Respondent Blokh
12 other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

13 **SECOND CAUSE FOR OTHER ACTION**

14 **(Restrictions on Officer – Respondent Blokh)**

15 64. Pursuant to section 7121 of the Code, if license number 1033393, issued to Respondent
16 American Renovation is revoked or suspended, Respondent Blokh shall be prohibited from
17 serving as an officer, director, associate, partner, manager, qualifying individual, or member of
18 the personnel of record of a licensee in that, while serving as CEO/President of Respondent
19 American Renovation, he had knowledge of or participated in the acts or omissions which
20 constitute cause for discipline against Respondent American Renovation as alleged in the causes
21 for discipline, above.

22 **THIRD CAUSE FOR OTHER ACTION**

23 **(Restrictions on Corporate Qualifier – Respondent Hale)**

24 65. Pursuant to section 7121.5 of the Code, if license number 1033393, issued to
25 Respondent American Renovation is revoked or suspended, Respondent Hale shall be prohibited
26 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
27 licensee during the time the discipline is imposed, whether or not he had knowledge of or
28 participated in the acts or omissions constituting grounds for discipline as alleged in the causes

1 for discipline, above, and any licensee which employs, elects, or associates Respondent Hale
2 other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

3 **FOURTH CAUSE FOR OTHER ACTION**

4 **(Restrictions on Officer – Respondent Hale)**

5 66. Pursuant to section 7121 of the Code, if license number 1033393, issued to
6 Respondent American Renovation is revoked or suspended, Respondent Hale shall be prohibited
7 from serving as an officer, director, associate, partner, manager, qualifying individual, or member
8 of the personnel of record of a licensee in that, while serving as RMO of Respondent American
9 Renovation, he had knowledge of or participated in the acts or omissions which constitute cause
10 for discipline against Respondent American Renovation as alleged in the causes for discipline,
11 above.

12 **PRAYER**

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
14 and that following the hearing, the Registrar issue a decision:

15 1. Ordering the revocation or suspension of Contractor's License Number 1033393
16 issued to Respondent American Renovation pursuant to Code section 7090;

17 2. Ordering the revocation or suspension of Contractor's License Number 962217 issued
18 to Respondent Hale General Construction, with Respondent Hale as sole owner, pursuant to Code
19 section 7090;

20 3. Ordering the revocation or suspension of Home Improvement Registration Number
21 78094SP issued to Respondent Blokh pursuant to Code section 7090;

22 4. Ordering restitution of all damages according to proof suffered by J.F. and C.F., and
23 J.R. as a condition of probation in the event probation is ordered for Respondents American
24 Renovation, Hale Construction, or Blokh pursuant to Government Code section 11519,
25 subdivision (d);

26 5. Ordering Respondent American Renovation, Respondent Blokh, Respondent Hale,
27 and Respondent Hale Construction to pay the Registrar costs for the investigation and
28 enforcement of the case according to proof at the hearing, pursuant to Code section 125.3;

6. Ordering Respondent American Renovation, Respondent Blokh, Respondent Hale, and Respondent Hale Construction to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each, pursuant to Code section 7095;

7. Ordering that Respondent Blokh is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee pursuant to Code section 7121.5;

8. Ordering that Respondent Blokh is prohibited from serving as an officer, director, associate, partner, manager, qualifying individual or member of the personnel of record of a licensee pursuant to Code section 7121;

9. Ordering that Respondent Hale is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee pursuant to Code section 7121.5;

10. Ordering that Respondent Hale is prohibited from serving as an officer, director, associate, partner, manager, qualifying individual or member of the personnel of record of a licensee pursuant to Code section 7121; and,

11. Taking such other and further action deemed proper.

DATED: _____

WOOD ROBINSON
Enforcement Supervisor I
Contractors State License Board
Department of Consumer Affairs
State of California
Complainant

SA2020100659